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UNDP: MATTERS RELATING TO THE PROGRAMMING CYCLES

Further elaboration of the framework for the next programming period

Report of the Administrator

Addendum

Synopsis of the main report

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I. INTRODUCTION

1. Document DP/1995/15 contains the fourth in a series of five reports being prepared for the Executive Board in the year leading up to a decision on the next programming framework, scheduled to be taken in June 1995. The report itself is, by necessity, lengthy, as it synthesizes many of the key points covered in the earlier papers, and also introduces a great deal of new material. To distil the essential elements and recommendations contained in document DP/1995/15 and thereby facilitate its review by the Board, the present synopsis has been prepared as addendum 1.

2. The introductory section of the main document recalls the foundation established by the three earlier papers: conceptual issues and difficulties related to the existing programming structure (DP/1994/20 of 21 May 1994); options for each of the main framework elements - programming objectives, financing mechanisms, and resource distribution (DP/1994/59 of 16 August 1994); and the elaboration of proposals for a financial planning scheme and overall resource allocation categories (DP/1995/3 of 22 November 1994), as well as the explanatory notes provided for the subsequent informal consultations. It was considered necessary to review these broader components of the programming framework before moving to the detailed elaboration of resource allocations and resource distribution methodologies, which are the focus of the main document.

II. RESOURCE ALLOCATIONS FOR THE NEXT PROGRAMMING FRAMEWORK

A. Application of initiatives for change

Background

3. Chapter II has three parts. Part A, on the application of initiatives for change, points out that the programming cornerstone for UNDP - the cycle structure - has remained relatively static over the past 25 years. It must now be adapted to the considerable, cumulative changes in the environment for development cooperation including: major diversions in Official Development Assistance flows; the changing status of core and non-core funding in UNDP; and difficulties inherent in the existing cycle structure itself.

4. Most importantly, the framework for the next period must respond to a number of overarching programming mandates from the General Assembly and Executive Board: the programme approach, national execution, strengthening United Nations system coordination and the resident coordinator system; sharpening the technical contributions of United Nations specialized agencies; and most recently, Executive Board decision 94/14, which supported sustainable human development as the global framework for UNDP activities, as outlined in the report of the Administrator on initiatives for change (DP/1994/39).

Initiatives for change

5. These initiatives are particularly relevant to the next programming structure for UNDP. The three major goals include: (a) strengthening international cooperation for sustainable human development and serving as a major substantive resource on how to achieve it; (b) helping the United Nations family become unified and powerful for sustainable human development (SHD); and (c) focusing UNDP resources on making the maximum contribution in programme countries to key SHD dimensions.

6. The initiatives for change framework supported by the Executive Board also identified four areas of programme focus: (a) poverty elimination; (b) job creation; (c) protection and regeneration of the environment, and (d) the advancement of women, as well as a set of patterns of intervention in which UNDP has demonstrated comparative advantage.

Links to the programming framework

7. Decision 94/17 underlined the necessary link between the process leading to a structure for the next programming framework and the implementation of decision 94/14. This process translates the basic programming precepts of the initiatives for change into a set of resource facilities and programming tools, prescribing financial levels and modalities for resources. Thus, the Administrator is proposing an overall framework for the allocation of core resources that is aligned to the three goals and four focus areas outlined above, and that responds to evolving development cooperation realities and United Nations system directives, rectifying difficulties inherent in the current structure. This requires a rigorous examination and fundamental overhaul of the existing cycle structure, leading to bold and substantive changes in programming arrangements and the way UNDP operates. To this end, the next programming framework should:

(a) Reaffirm the fundamental principles of United Nations system operational activities (the voluntary, grant nature of multilateral assistance, universality, neutrality, and responding to national development policies and priorities);

(b) Permit the flexibility needed for effective and quick response to often rapidly changing needs at the country, regional, interregional and global levels while de-emphasizing the concept of entitlement to pre-assigned resources;

(c) Maximize the overall impact and effectiveness of United Nations system assistance across the entire spectrum of development cooperation;

(d) Maximize country-level impact in line with national priorities through a sharpened focus for support and the effective monitoring and assessment of results;

(e) Enable UNDP to enhance its complementary roles in downstream support to programmes and upstream development of approaches, and strategies for sustainable human development;

(f) Maximize leverage for the mobilization of additional resources from a variety of sources;

(g) Optimize the use of expertise available through the United Nations specialized agencies at all stages of programming;

(h) Make optimum use of the range of implementation modalities available;

(i) Allow UNDP to support one of its most important "tickets to the future" - the resident coordinator system - and better undertake its historic role as a coordinating, synthesizing and unifying force for the United Nations system as a whole.

The proposed framework: a new departure

8. The Administrator believes that the above objectives cannot be achieved by marginal, or incremental changes to the existing framework. His recommendations taken as a whole, therefore, represent a significant and positive departure from existing practices and provide a firm basis for implementing the initiatives for change. His recommendations recognize: the need to overcome the stagnation in nominal core resources in recent years; the need to create greater incentives to mobilize non-core resources; the rigidities in the present resource allocation system, which hinder the ability of UNDP to respond flexibly to evolving development situations and opportunities, and improve the focus and concentration of programmes; and most important, the need to help countries achieve greater impact and effectiveness in their programmes.

9. The Administrator has also concluded that it is appropriate at this stage of the deliberations to make specific recommendations on both the financial structure, and the percentage allocations to individual facilities.

10. In document DP/1995/3, a broad set of resource allocation categories for the next programming period were proposed: programmes/projects; programme development and technical services; and support to the United Nations system and aid coordination. A fourth category, covering the biennial budget, brings administrative and programme support costs into the total picture.

11. As discussed in greater detail in section II.B, this original framework has been considerably refined, taking into account Executive Board comments on document DP/1995/3. The refinement has involved not only a strict examination of the financial level for each earmarking, but also a rigorous review of a number of related factors: programming processes; resource access; increased decentralization and delegation of authority at the country-level; the need to provide incentives for increased mobilization of non-core resources; the universality of participation by all programme countries; and effective coordination of United Nations system assistance.

Three-tiered scheme for country-level resources

12. One of the more significant changes relates to the first category: programmes and projects. The Administrator proposes the establishment of

three separate, but closely related, country-level facilities for the target for resource assignments from the core (or TRAC). The first facility assigns one portion of the TRAC immediately to countries, in accordance with the distribution methodology to be eventually established. Under the second facility, an equal share is assigned regionally for subsequent application at the country level. Finally, in the third facility, resources are set aside for development in countries facing special situations, in line with Executive Board suggestions that such a modality be established.

13. Although this proposal represents a major change, the Administrator believes that it combines the best features of existing arrangements while allowing UNDP to pursue a number of positive directions. The current share of resources available for country programmes is continued. The first facility ensures a degree of predictability for planning purposes while the second facility provides additional incentives for countries to develop high-priority, high-impact programmes and projects that have the potential to attract and maximize resources. The second facility, therefore, stimulates countries to make greater use of core resources as a catalyst for the mobilization of non-core resources. Secondly, by diffusing the concept of fixed country entitlements, the proposal introduces a desirable element of flexibility that would permit UNDP to make resource assignments in response to evolving development opportunities and needs, thereby enhancing programme focus and quality. Resources could be utilized more fully and effectively as redeployment from inactive programmes becomes possible. Finally, under, the third facility, UNDP could respond more quickly and flexibly to countries where special development circumstances require such action.

14. Thus, the proposal permits UNDP to be of genuine assistance to a widely differing group of programme countries, and maximizes the ability of the organization to mobilize additional resources for their needs.

Programming processes at the country level

15. It is useful to highlight how these facilities might operate in conjunction with the programming and resource planning processes proposed in document DP/1995/3. Programming at the country level in the next programming period would encompass activities financed from all sources identified in the resource mobilization target (RMT), of which the target for resource assignments from the core (or TRAC) would be an important part. The TRAC would cover the resources assigned under the first and second facilities described above i.e., the amount immediately assigned to a country, as well as contributions from the amount assigned regionally for subsequent country application. For planning purposes, the TRAC could typically be set at twice the immediately assigned portion. The resources actually made available to a country would ultimately depend upon the level of contributions to the core fund of UNDP, as well as the volume of programmes and projects actually approved under the second facility.

16. In formulating the framework for UNDP cooperation, resident representatives would continue to work closely with governments in developing programmes in line with national priorities and strategies, and the areas of focus supported in decision 94/14. As under the current arrangements, the Administrator would delegate to the resident representatives the authority, and indeed the obligation, to determine the provision of UNDP support to

programmes and projects in accordance with the country programme/framework approved by the Executive Board, and the rigorous criteria established for the appraisal, approval and financing of programmes and projects. These same criteria would continue to apply equally, no matter which of the facilities finances the activities proposed.

Incentive to resource mobilization

17. One difference between the first and second facility is how they are viewed and used with respect to resource mobilization. The second facility is expected to stimulate the mobilization of resources for national programmes from a variety of non-core resources. In fact, a consideration in approving resources from the second facility would be the catalytic effect these funds might have in mobilizing further resources. More generally, the second facility would create incentives for the strongest possible programmes and projects across the full range of appraisal criteria.

Delegation of authority to approve programmes/projects

18. In recent years, UNDP has been progressively increasing the degree of decentralization by delegating higher levels of financial authority for approval of programmes and projects to resident representatives, a trend that has intensified with the adoption of the programme approach. With the expanded use of the programme approach expected in the next programming period, the same decentralization arrangements 1/ would apply equally to activities funded by the both the first and second facilities. UNDP headquarters would approve major programmes whichever facility finances them. Once programmes are approved in principle, resident representatives would continue to approve associated implementation budgets at the country level. For activities outside the scope of programmes, the Regional Bureaux might still delegate approval of second facility resources to resident representatives, based on prior substantive consultations.

Assignment of resources to individual countries

19. While the actual amount a country receives from the second facility would depend on the volume of programmes/projects submitted and approved, the Administrator may be required to ensure the equitable distribution of resources in line with guidelines established by the Executive Board. (Such upper and lower limits could specify, for instance, that over a specified period (say three years), no country could receive resources in excess of a multiple (say 1.5 times) of the resources available to it under the first facility). Countries with greater capacities for programme formulation, or in need of urgent support, may well garner resources at an early stage, but equity over time could be assured. The Administrator would periodically report to the Board on actual resource distribution, and for this purpose the Board may wish to schedule an initial review in June 1998.

1/ In general under the current arrangements, major programmes valued at more than $3 million and projects over $1 million are approved by UNDP headquarters. After a programme is approved in principle, implementation budgets are approved by the resident representative at the country level.

20. The Administrator believes that the above proposals introduce systemic incentives in the UNDP programming framework in order to achieve continuous improvements in quality and focus, and to mobilize additional resources. These incentives should equally stimulate and motivate all parties concerned: the programme countries, the contributor countries and UNDP itself.

B. Proposed resource allocation structure

Revised resource allocation categories

21. A broad set of resource allocation categories for the next programming period are proposed: 1.0 - programmes/projects; 2.0 - programme development and technical services; and 3.0 - support to the United Nations system and aid coordination (and to complete the picture of core resources - category 4.0 - the biennial budget). These are shown in table 1 from the main document, reproduced in the annex. These categories provide a more cogent basis for rationalizing earmarkings than do fifth cycle labels (indicative planning figures (IPFs), Special Programme Resources (SPR), agency support costs, and the biennial budget), and most importantly, respond clearly to the main thrusts of the initiatives for change.

22. Section II.B contains an elaboration of the rationale for the each of the proposed subcategories, making recommendations for resource levels and modalities for their access in the next programming period. This involved not only a review of financial earmarkings but also of a number of related factors, as outlined in paragraph 11 above. The revised format reduces the current earmarkings (over 50) to a more manageable 14 lines, eliminating many overlaps and anomalies.

23. Category 1.0 (programmes/projects) which covers the bulk of UNDP resources that traditionally flow to country and the intercountry activities, together with category 2.0 (programme development and technical services) encompass financial facilities for the full spectrum of support activities required over a project/programme period. This recognizes that to achieve maximum impact, direct support to national programmes should continue to be bolstered by a full range of other complementary contributions. Category 3.0 sets aside resources for UNDP support to the United Nations system and the resident coordinator functions.

Outline of the table

24. Table 1 the main document (reproduced in the annex) is indispensable to an understanding of the recommendations. The table compares current allocations of core resources on an annualized basis (in dollar and percentage terms) with proposed percentage earmarkings for the next period. To visualize the dollar amounts involved, the use of $1 billion as an illustrative, annual base for the next period may be helpful. The explanatory footnotes indicate from which fifth cycle "lines" the new subcategories were "reconstructed". Annex 1 in the main document provides a categorized breakdown for both core and non-core resources; however, the attention of the Executive Board is drawn to the core resource allocations in table 1, which are the focus of the decision on the next framework.

C. Justification and recommended levels for resource allocation categories and subcategories

25. This section examines the individual financial facilities proposed, covering: their purposes, recent experiences, and justifications for the resource levels recommended. For the purpose of this summary, the most significant recommendations in the three programme categories are highlighted below.

1. Programmes/projects (line 1.0)

26. The most significant recommendations in this category are:

(a) The operation of the proposed three-tiered framework for TRACs was elaborated in paragraphs 12 to 20 above. For the next programming period, 55 per cent of core resources are earmarked under line 1.1 for country-level activities (as compared to 54.8 per cent currently). This share is subdivided into three sub-lines: 25 per cent (line 1.1.1) for immediate assignment to countries according to the distribution methodology eventually established; and an equal 25 per cent share (under line 1.1.2) assigned at predetermined levels by region for subsequent application to country-level programmes. These regional shares could be derived from the agreed resource distribution methodology or other methods established by the Executive Board;

(b) In addition, 5 per cent of core resources (under line 1.1.3) would be set aside for development in countries in special situations of various kinds, in response to the Executive Board request for a facility that would avoid having to deal with such circumstances on an ad hoc basis;

(c) Recognizing the promising efforts to increase country collaboration in the identification of complementary national and regional interests on issues that transcend national boundaries, the Administrator recommends that the share for regional programmes in the next period be increased by 33 per cent to 7.6 per cent of core resources (line 1.2);

(d) Global programmes represent a unique mechanism for practical research on cross-cutting, international issues. Programmes supported by the interregional and SPR earmarkings have proven potential to develop innovative and pilot approaches in the designated areas of focus for possible replication at the country level. In recognition of this, the Administrator recommends that 4.2 per cent of core resources be earmarked for a combined category in the next programming period - line 1.3 - global, interregional and special activities. The management modalities for this facility will be addressed in the separate report on the initiatives for change which the Executive Board requested for the annual session 1995;

(e) To continue to expand the use of the technical cooperation among developing countries (TCDC) modality in programmes and projects (line 1.5), the Administrator recommends that an increased earmarking of 0.4 per cent of core resources be established;

(f) To continue to ensure programme quality, accountability and feedback in the next programming period, especially with the introduction of

new initiatives, it is proposed that the earmarking for programme evaluation be increased to a level of 0.4 per cent;

(g) Line 1.6 provides resources to reimburse implementation costs (i.e., administrative and operational services or AOS) associated with activities carried out under facilities 1.1 to 1.5. It is estimated that 60 per cent of these activities in the next period will be nationally implemented, and therefore, the "savings" accrued on the nationally implemented share have already been incorporated under line 1.1. Line 1.6 combines the 11 separate implementation lines used in the fifth cycle into a single earmarking equal to 3 per cent of core resources. This facility would cover the implementation costs for the estimated 40 per cent of activities that would be implemented by United Nations agencies or other external agents.

2. Programme development and technical services (line 2.0)

27. The most significant recommendations in this category are:

(a) Category 2.0 designates additional facilities to maximize the impact of the programmes and projects supported under category 1.0., including policy and sectoral advice, assistance in programme formulation and technical support from United Nations specialized agencies;

(b) Line 2.1, for UNDP programme support and development activities (PSDA), currently supports programme development activities (PDA) related to: the substantive capacity of UNDP in thematic areas; the programme support and implementation activities of UNDP; and other contributions. For the next period, it is recommended that PSDA be maintained at 3 per cent of core resources (deducting the elements moved to other categories). The PSDA would, however, remain subject to review and endorsement by the Advisory Council on Administrative and Budgetary Questions (ACABQ);

(c) It is recommended that TSS-1 and sectoral support, which are better viewed as programme development tools rather than support cost elements, be combined under line 2.2 - United Nations system support for policy and programme development (SPPD) with an increased earmarking of 2 per cent of core resources. All United Nations specialized agencies, both large and small, as well the regional economic commissions could access this facility. This would permit programme countries to benefit from the upstream capacities of the United Nations system in a uniform manner and also allow UNDP to coordinate collaborative exercises on cross-cutting programmes that require multidisciplinary inputs;

(d) The technical services by the United Nations specialized agencies are financed in the fifth cycle from the TSS-2 facility and other support cost earmarkings, including the sectoral support facility. It is recommended that in the next programming period these provisions be covered by a single category, available to both large and small agencies. This system would again permit programme countries to obtain downstream technical services in a uniform manner and would also enhance the quality of UNDP-funded projects, helping the Administrator discharge his accountability, especially for nationally executed activities. It is recommended that 1.6 per cent of core resources be earmarked for this purpose under line 2.3.

3. Support to United Nations system and aid coordination (line 3.0)

28. The most significant recommendations in this category are:

(a) UNDP currently provides infrastructural, programmatic and substantive support to the United Nations system at the country level through its network of country offices and the resident coordinator system. The establishment of separate category 3.0 for support to the United Nations system and aid coordination specifically recognizes these contributions, and also helps advance various governing body mandates, including in particular, goal two in the initiatives for change report - helping the United Nations family become a unified and powerful force for sustainable human development;

(b) The Administrator recommends line 3.1 be established at 1.7 per cent of core resources to provide a secure and expanded facility for programme support to the resident coordinator/aid coordination, a purpose for which only meagre resources are currently available. This would be used for a considerable range of innovative and successful coordination activities at the country level related to inter-agency programming, advancing United Nations system initiatives; and cost-effective joint services and facilities;

(c) Line 3.2 incorporates the current biennial budget allocation for support to United Nations operational activities. This repositioning under category 3 recognizes that the ongoing UNDP support to United Nations system operational activities represents the fixed costs of coordination, which are indispensable to the programme support to be provided under line 3.1. An earmarking of 4.3 per cent is recommended.

III. RESOURCE DISTRIBUTION ALTERNATIVES

29. Chapter III deals with alternative methodologies for distributing the portion of resources that would be directly pre-assigned to individual countries under 1.1.1 in table 1. The operation of the current resource distribution methodology is summarized as a preface to the examination of alternatives for each of the main elements: primary criteria, supplementary criteria, floors and graduation thresholds. Tables are presented showing the resultant percentage distribution (by region and by category of country) when a single element of the resource distribution model is modified, in isolation from all the others. The main impact of these modifications is as follows:

(a) The baseline distribution shows the effect of making no changes to the current methodology except for updating gross national product (GNP) and population data (1993 or latest estimates). This results in a slight decrease in the share for Latin America and the Caribbean and a substantial increase in the share for Europe and the Commonwealth of Independent States, with negligible changes to the other regions;

(b) Alternate indicators to GNP per capita are not presently considered viable for resource distribution purposes. Thus, it appears preferable to retain GNP per capita as one of the primary criteria;

(c) With all else remaining equal, using population under the poverty line instead of total population (a change which emphasizes the focus on poor people rather than solely poor countries) increases the share for Africa slightly and decreases in the shares for Latin America and the Caribbean, and for Europe and the Commonwealth of Independent States;

(d) With all else remaining equal, dropping the supplementary criteria (that take into account the particular development restraints of certain countries, but are dominated by the least developed countries (LDC) criterion) increases the share of Europe and the Commonwealth of Independent States slightly and has negligible effects on other regions. Given the marginal impact of this calculation, it is recommended that the complex system of supplementary points be discontinued. To compensate for this calculation, it is recommended that a 6 per cent bonus instead be assigned to LDCs.

(e) Eliminating the floors, which guarantee countries a certain percentage of their IPF in the previous cycle, essentially results in a trade-off between regions: the share for Latin America and the Caribbean falls and that for Europe and the Commonwealth of Independent States increases. A weakened floor, which moderates this trade-off, is recommended;

(f) Using existing graduation thresholds 2/ with the latest GNP per capita data would add 17 new net contributors countries (NCCs) to the 20 which exist in the fifth cycle. The IPFs for these 37 countries represent less than 1 per cent of total current IPFs. If the NCC thresholds are raised from $3,000 to $4,700 (consistent with the World Bank graduation level) and from $6,000 to $7,500, then only five new NCCs would be added. The share for the 12 countries that would not become NCCs represents 0.66 per cent of current IPFs;

(g) In this connection, the reimbursability of IPFs and related costs could be waived in cases where total programming in an NCC exceeds a certain multiple of the resources assigned from the core (say 10 times). The Administrator recommends that both increased thresholds and waiver of reimbursability apply in the next period, as this would assure the continued participation of a number of countries in the programme at relatively low cost, and allow them to use core resources to mobilize significantly larger amounts of non-core funds.

30. Many combinations of changes in the main distribution components are possible, some of which yield similar results. These are narrowed down to two options that meet the major objectives for resource distribution: progressivity (in allocation to low-income countries); universality of participation of programme countries, and greater simplicity and transparency.

31. Both options discontinue supplementary points, reduce floor protection and increase thresholds for graduation. The difference between the two options is that the first uses population under the poverty line as one of the

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2/ IPFs are calculated for countries with a GNP between $3,000 and $6,000, but these amounts must be "reimbursed". For countries with a GNP above $6,000, no IPF is established. In addition, all such countries must also bear the full cost of country offices. Higher thresholds apply to small island developing countries.

primary criteria whereas the second continues to use total population, but provides a bonus of 6 per cent to LDCs in order to increase progressivity. The results of these two options are substantially similar. It should be pointed out, however, that data on population under the poverty line are presently not available for all programme countries. Provided that it is possible to collect the required data, the Administrator recommends that option 1 form the basis for resource distribution for the next programming period, as shown in table 7 from the main report reproduced here.

Reproduced from DP/1995/15 - main document

Table 7. Illustrative options for resource distribution
(Percentages)

Regions	(1) Fifth cycle distribution a/	(2) Baseline scenario b/	(3) Option 1 c/	(4) Option 2 d/	(5) Percentage change (2) & (3)	(6) Percentage change (2) & (4)
Africa	45.8	45.2	45.3	44.5	0.2	-1.6
Asia and the Pacific	36.6	35.7	35.8	36.3	0.3	1.7
Arab States	7.6	7.3	6.9	7.0	-5.5	-4.0
Latin America and the Caribbean	7.8	6.4	6.5	6.3	1.6	-1.9
Europe and CIS	2.2	5.4	5.5	5.9	1.9	9.1
Total	100	100	100	100		
Countries with GNP<=750	87.0	87.1	87.0	87.8	-0.1	0.5
LDCs	58.6	57.1	57.0	56.6	-0.2	-0.9

a/ Basic criteria: GNP per capita and population using 1989 data; supplementary points; floors (100%, 90% and 80%); and current thresholds for graduation ($3,000 and $6,000).

b/ Same as a/ but using 1993 or latest estimated GNP per capita and population data.

c/ Basic criteria: GNP per capita and population under the poverty line; no supplementary points; reduced floors (90%, 80% and 70%); and increased thresholds for graduation ($4,700 and $7,500).

d/ Basic criteria: GNP per capita and population; no supplementary points; bonus for LDCs (6 per cent); reduced floors (90%, 80% and 70%); and increased thresholds for graduation ($4,700 and $7,500).

IV. EXECUTIVE BOARD ACTION

32. It is anticipated that the discussion of the document will focus mainly on the proposed resource allocations set out in table 1 of section II.B and the recommended resource distribution methodology set out in chapter III. These proposals are crystallized in a set of recommendations for consideration by the Executive Board.

33. The Executive Board may wish to:

Endorse the recommendations made in section II.C, and as reflected in table 1, on the resource allocations for the next programming period;

Endorse the recommendations contained in chapter III concerning resource distribution methodologies, including in particular, the concluding paragraph;

Request the Administrator, on this basis, to provide a comprehensive and detailed report at the annual session 1995, outlining the overall framework for the next programming period, including: resource distribution by country; programming processes to apply at the country level; and the operation of the financial planning and management scheme at both the aggregate and the country level.

Annex

Table 1. UNDP core resources by main categories: comparison of fifth cycle and proposed annual earmarkings

(millions of dollars)

	Foot-notes	Earmarkings during fifth cycle $	Earmarkings during fifth cycle %	Proposed percentage earmarkings for next period %
1.0 Programmes/projects				
Country				
1.1 Target for resource assignments from core (TRAC):				
1.1.1 Assigned immediately to countries		526	53.5	*25.0*
1.1.2 Assigned regionally for subsequent country application		-	-	*25.0*
1.1.3 Resources for development in countries in special situations	a/	13	1.3	*5.0*
		539	54.8	*55.0*
Intercountry				
1.2 Regional		56	5.7	*7.6*
1.3 Global, interregional and special activities		25	2.5	*4.2*
		81	8.2	*11.8*
Other				
1.4 Evaluation	b/	1	0.1	*0.4*
1.5 Special resources for TCDC activities	c/	2	0.2	*0.4*
1.6 Resources for implementation	d/	55	5.6	*3.0*
		58	5.9	*3.8*
Subtotal		**678**	**68.9**	*70.6*
2.0 Programme development and technical services				
2.1 UNDP programme support and development activities (PSDA)	e/	33	3.3	*3.0*
2.2 United Nations system support for policy and programme development (SPPD)	f/	16	1.6	*2.0*
2.3 Technical support services from United Nations specialized agencies	g/	11	1.1	*1.6*
2.4 Other	h/	33	3.3	-
Subtotal		93	9.3	*6.6*
3.0 Support to United Nations system and aid coordination				
3.1 Programme support to the resident coordinator/ aid coordination	i/	2	0.2	*1.7*
3.2 Support to United Nations operational activities	j/	43	4.4	*4.3*
Subtotal		45	4.6	*6.0*
4.0 Biennial budget				
4.1 UNDP headquarters		70	7.1	*6.8*
4.2 UNDP country offices		100	10.1	*10.0*
Subtotal		**170**	**17.2**	*16.8*
TOTAL		**986**	**100.0**	*100.0*

For footnotes see page 15.

Footnotes to table

a/ While the proposed earmarking will encompass a wider range of activities, the current earmarking finances SPR category A: Disaster mitigation and SPR subcategory lines: C2: Special Plan of Economic Assistance to Central America; C3: Programme of Action for African Economic Recovery and Development; and F: Assistance to the Palestinian people.

b/ Currently funded from SPR subcategory line E2: Programme evaluation/training.

c/ Currently funded from SPR subcategory line B4: Technical cooperation among developing countries (TCDC).

d/ Represents reimbursement of Administrative and Operational Services (AOS) to implementing agencies, including United Nations agencies, for implementation of projects.

e/ Currently established as programme support and development activities (PSDA). Under proposed percentage earmarkings, the 0.3 per cent decrease from the fifth cycle percentage earmarking pertains to development support service, which will be accommodated under line 3.1: Programme support to the resident coordinator/aid coordination.

f/ Currently established as the TSS-1 component of the support cost arrangements, as well as a sectoral support facility financing technical services from the smaller technical agencies.

g/ Currently established as a technical support facility at the project level (TSS-2) for the five large agencies. TSS-2 is used to finance technical support services from the agencies at all stages of the project cycle, including project formulation and project monitoring and backstopping.

h/ Includes SPR subcategory B: Thematic activities; SPR category C: Other special and/or new activities; SPR category G: Contingencies; SPR subcategory line D1: Round-table meetings and support to Consultative Group meetings; SPR subcategory line D2: NATCAPs; SPR subcategory line E1: Project Development Facility; SPR subcategory line E3: Programme research; and UNIDO Country Director and Special Industrial Services (SIS) programmes.

i/ While the proposed earmarking will encompass a wider range of activities, the current earmarking finances SPR subcategory lines D3: Other aid coordination and D4: Country programme initiatives; no formal earmarking is presently made from the SPR for programmatic support to the Resident Coordinator.

j/ Represents UNDP country office support to United Nations operational activities as formally recognized at the level of 29 per cent of total UNDP country office costs in the presentation of the UNDP biennial budget estimates.